

CHAPTER NO. 122

HOUSE BILL NO. 226

By Representative Bowers

Substituted for: Senate Bill No. 276

By Senator Dixon

AN ACT relative to certain disclosures of an owner of commercial or industrial real property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. At the request of a prospective tenant, the owner of commercial or industrial real property where the commercial property space is fifteen hundred square feet (1500 sq. ft.) or less, and the industrial real property is five thousand square feet (5,000 sq. ft.) or less, shall furnish to such prospective tenant a signed disclosure statement detailing the extent to which such real property is understood by the owner to be in compliance with local and state fire, plumbing, and electrical codes for a building of the type under construction. If, at the time such disclosure is made, an item of information required to be disclosed is unknown or not available to the owner, the owner may state that such information is unknown.

SECTION 2. If the owner knowingly misrepresents information required to be disclosed by this act, the lessee's remedies, at the option of the lessee, for such misrepresentation on the disclosure statement shall be either:

(1) An action for actual damages suffered as a result of known defects existing in the property as of the date of execution of the lease. Any action brought under this subdivision shall be commenced within one (1) year from the date the lessee received the disclosure statement or the date of occupancy, whichever occurs first; or

(2) Termination of the lease.

SECTION 3. Nothing in this act shall affect other remedies at law or equity otherwise available against an owner in the event of an owner's intentional or willful misrepresentation of the condition of the subject property.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 29, 1999


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 12th day of May 1999


DON SINKQUIST, GOVERNOR